

CENTRAL INTELLIGENCE AGENCY

REPORT

INFORMATION REPORT

CD NO.

CONFIDENTIAL

COUNTRY Yugoslavia

DATE DISTR. 9 OCT 50

SUBJECT Reduction of Number of Workers in Government Enterprises

NO. OF PAGES 1

PLACE ACQUIRED

NO. OF ENCLS. (LISTED BELOW)

DATE OF INFO.

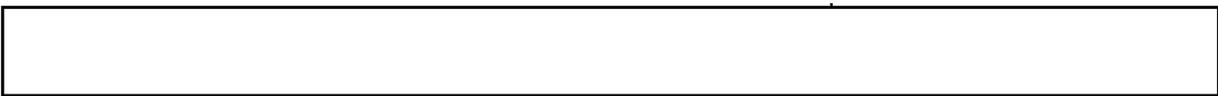
SUPPLEMENT TO REPORT NO.

784



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1. Since late April 1950, an order has been in effect throughout Yugoslavia which prescribes the maximum number of employees which may be employed in an enterprise. Reportedly this quota system was made necessary because of a large surplus of workers in government enterprises, the result of early enthusiasm on the part of the regime, and also of its inability to carry out the Five Year Plan without outside help. Because of a lack of the necessary material, industrial enterprises have found that there is not enough work to keep all employees busy.
2. The same situation exists in administrative offices. It has been found that the vast number of those employed simply because of their ability to read and write, not only serve no useful purpose, but also contribute to a neglect of agriculture because many of them are from predominantly agricultural regions. Their continued use has caused overcrowding in the cities and a drain on city food supplies.
3. In addition to the problem posed by the above two groups, there is the further problem of what to do with those persons who will soon be leaving trade schools. They must be employed, or otherwise they become a burden (i.e., a danger) to the regime.
4. Since the new quota system greatly reduces the labor force in almost all government enterprises, the question arises as to what to do with the unemployed. The surplus workers in a specific enterprise are put at the disposal of other enterprises. If the latter cannot accommodate them, these workers are then placed at the disposal of the Premiers of the various republics. In most instances no work has been found for these people, and it frequently happens that after a month of unemployment they are deprived of their ration cards, living quarters, et cetera.
5. Because of this condition, the quota system has become very unpopular, both among the great mass of non-Communists and among the Communists, many of whom are affected by the order.

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Document No. 206

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Class. Changed To:

12/22/26 JUN 1978